

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 IO-12 ADP-00 RSR-01 OMB-01 TAR-02

AGR-20 AID-20 CIAE-00 COME-00 INR-10 LAB-06 NSAE-00

OIC-04 RSC-01 SIL-01 STR-08 TRSE-00 CIEP-02 CEA-02

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TAGS: EGEN, EFIN, ETRD, EAID, UNCTAD

SUBJECT: UNCTAD: TDB XII (RESUMED) CONSIDERATION OF TRADE/
MONETARY INTERRELATIONSHIP

BEGIN SUMMARY: RESUMED SESSION OF TDB ON MAY 10 ADOPTED
(WITHOUT VOTE) MODIFIED VERSION OF OLD DRAFT RESOLUTION
ON COORDINATION OF TRADE, MONETARY AND DEVELOPMENT FINANCE
AFTER BRIEF DEBATE. DELICATELY NEGOTIATED DOCUMENT CALLS
FOR SPECIAL SESSION OF TDB ON DATE TO BE DECIDED. AS
PRICE FOR AGREEMENT OF AFRICAN GROUP, NEW PARA ADDED
REQUESTING SG TO REVIEW EXISTING ARRANGEMENTS FOR SOLUTION
TRADE, MENETARY AND DEVELOPMENT PROBLEMS WITH AIM OF
PROPOSING ANY IMPROVEMENTS OR MODIFICATION (SEE PARA 5
BELOW FOR TEXT). US DID NOT ASSOCIATE ITSELF WITH
RESOLUTION BECAUSE IT PROVIDED TDB TO BE HELD WHETHER OR
NOT NECESSARY AND COULD BE CONSTRUED TO IMPLY ROLE FOR
UNCTAD IN COORDINATION. CONTRADICTIONARY INTERPRETATIVE
STATEMENTS MADE ON BEHALF GROUP OF 77 (DEVELOPING)
COUNTRIES OF MAJORITY OF GROUP B (DEVELOPED COUNTRIES)
AS TO MEANING KEY PARTS OF RESOLUTION. END SUMMARY

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1. PRINCIPAL ITEM CONSIDERED AT RESUMED SESSION OF TWELFTH TRADE AND DEVELOPMENT BOARD (TDB XII) WAS INTERDEPENDENCE OF TRADE, DEVELOPMENT FINANCE AND MONETARY ISSUES. UNCTAD SECGEN PEREZ- GUERRERO OPENED SESSION WITH HARD HITTING SPEECH. HE WELCOMED PARA 4(D) OF C-20 PRESS COMMUNIQUE REGARDING USE OF TRADE CONTROLS FOR BALANCE OF PAYMENTS PURPOSES AND THEIR RELATIONSHIP TO LDCS. ON OTHER HAND HE CONSIDERED PARA (5) ON LDCS AND MONETARY REFORM AS MUCH LESS FORTHRIGHT THAN DESIRABLE AND HE SAID IT WOULD BE INTOLERABLE IF LDCS CONTINUED TO BE EXCLUDED FROM EFFECTIVE DECISION- MAKING AS THEY WERE DURING RECENT MONETARY CRISIS AND MARCH 16 PARIS DECISIONS.

2. GENERAL DEBATE WAS MINIMAL, WITH PRINCIPAL INTERVENTION BY DEVELOPING COUNTRIES COMING FROM PAKISTAN SPEAKING FOR ASIAN GROUP. STATEMENT COVERED BROAD RANGE OF FAMILIAR DEVELOPING COUNTRY CONCERNS ABOUT INTERNATIONAL TRADE AND MONETARY DEVELOPMENTS AND NEGOTIATIONS; HOWEVER, REFERRING TO PROCEDURAL QUESTIONS AT HAND, MILDLY CALLED FOR ONE SPECIAL SESSION AND REGULARIZATION OF, AND REPORTING TO MEMBER STATES ON, CONSULTATIONS AMONG HEADS OF IMF, GATT AND UNCTAD. GROUP D SPEAKERS REPEATED WELL- WORN STATEMENTS THAT RECENT MONETARY DEVELOPMENTS INDICATED CRISIS IN CAPITALISTIC SYSTEM AND CALLED FOR PARTICIPATION BY ALL COUNTRIES IN MONETARY AND TRADE NEGOTIATIONS. FRANCE, CANADA, JAPAN SOUGHT TO ASSUAGE LDC CONCERNS ABOUT NON- PARTICIPATION IN TALKS LEADING TO SOLUTION OF RECENT MENETARY CRISIS BY DRAWING DISTINCTION BETWEEN CRISIS SOLUTION PROCEDURES AND PROCEDURES FOR LONG- TERM REFORM NEGOTIATIONS IN THE C-20; POURED COLD WATER ON COORDINATION (IN UNCTAD) MERELY FOR THE SAKE OF COORDINATION (JAPAN); AND SUGGESTED THAT COORDINATION ON TRADE AND MONETARY ISSUES, LIKE CHARITY, SHOULD BEGIN AT HOME-- I. E. BY COORDINATING GOVERNMENTS' INSTRUCTIONS TO THE SEPARATE BODIES DEALING WITH ISSUES IN QUESTION (CANADA).

3. APART FROM THESE INTERVENTIONS, FIRST TWO DAYS OF RESUMED XII SESSION SPENT MAINLY AWAITING OUTCOME OF EFFORTS OF G-77 TO WORK OUT SPLITS AMONG AFRICANS,
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ASIANS AND LATIN AMERICANS WHICH DEVELOPED AT FIRST PART OF XII SESSION ON ACTION TO BE TAKEN ON INTERDEPENDENCE QUESTION. AFRICANS AGREED TO DROP INSISTENCE ON CONSIDERATION OF TD/ B/ L.304 IN EXCHANGE FOR ADDITION OF NEW PARA (PARA 9) TO TD/ B/ L.311 ASKING SECGEN TO KEEP UNDER REVIEW EXISTING ARRANGEMENTS FOR THE SOLUTION OF THE INTERRELATED PROBLEMS OF TRADE, DEVELOPMENT FINANCE

AND MONETARY ISSUES IN A COORDINATED MANNER AND TO REPORT TO THE BOARD THEREON AS SOON AS POSSIBLE. GROUP OF 77 ALSO ASKED FOR TDB MEETING WHENEVER WARRANTED.

4. IN NEGOTIATIONS, GROUP B (WHICH EXCEPT FOR THE US HAD ACCEPTED TD/ B/ L.311 LAST OCTOBER) SOUGHT TO PLACE CALL FOR SPECIAL SESSION ON QUOTE IF NEEDED UNQUOTE BASIS BUT EVENTUALLY AGREED TO ONE SPECIAL SESSION. EFFORTS WERE MADE TO CLARIFY THAT ADDITIONAL PARA (9) REFERRED ONLY TO EXISTING ARRANGEMENTS FOR CONSULTATIONS AMONG SECRETARIAT HEADS BUT THIS NOT ACCEPTABLE TO LDCS BECAUSE IT THREATENED TO UNDO DELICATE COMPROMISE WITH AFRICANS. GROUP B (EXCEPT US) AGREED ACCEPT REVISED DRAFT BECAUSE OF FEAR OF PROVOKING VOTE ON L/304 WHICH THEY CONSIDERED MUCH WORSE.

5. IN PLENARY, BOARD ADOPTED (WITHOUT VOTE) TD/ B/ L.311 WITH FOLLOWING TEXTUAL CHANGES:

A. ADD AT END OF PREAMBLE:

QUOTE

RECALLING FURTHER GENERAL ASSEMBLY RESOLUTION 3041 (XXVII) AND IN PARTICULAR OPERATIVE PARAGRAPHS 7, 8, AND 9; HAVING CONSIDERED THE REPORT BY THE SECRETARY- GENERAL OF UNCTAD, INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT FINANCE AND THE INTERNATIONAL MONETARY SYSTEM (TD/ B/427 AND ADDS. 1-3) UNQUOTE

B. REVISED PARA 5:

QUOTE

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DECIDES TO THIS END:

(A) TO CONSIDER THIS MATTER AT ITS THIRTEENTH REGULAR SESSION ON THE BASIS OF A COMPREHENSIVE REPORT BY THE SECRETARY- GENERAL OF UNCTAD;

(B) TO HOLD A SPECIAL SESSION OF THE BOARD, BEFORE OR AFTER THE THIRTEENTH REGULAR SESSION, THE EXACT DATE TO BE DECIDED BY THE SECRETARY- GENERAL OF UNCTAD AND THE PRESIDENT OF THE BOARD, AFTER APPROPRIATE CONSULTATIONS. SUCH A SESSION SHOULD NOT LAST FOR MORE THAN FIVE DAYS. FUTURE ARRANGEMENTS, AS NECESSARY, SHOULD BE AGREED UPON AT THIS SPECIAL SESSION OR AT THE THIRTEENTH SESSION, WHICHEVER IS HELD EARLIER. UNQUOTE

C. ADD A NEW PARA 9:

QUOTE

REQUESTS THE SECRETARY- GENERAL OF UNCTAD TO KEEP UNDER CONSTANT REVIEW THE EXISTING ARRANGEMENTS FOR THE SOLUTION OF THE INTERRELATED PROBLEMS OF TRADE, DEVELOPMENT FINANCE AND MONETARY ISSUES IN A COORDINATED MANNER, BEARING IN MIND PARAGRAPH 7 OF CONFERENCE RESOLUTION 84(III) AND IN LIGHT OF SUBSEQUENT EXPERIENCE AND WITH THE AIM OF PROPOSING ANY IMPROVEMENTS AND MODIFICATIONS THAT MAY BE NECESSARY TO MAKE THE ARRANGEMENTS MORE EFFECTIVE, AND TO REPORT THEREON TO THE BOARD AS SOON AS POSSIBLE. UNQUOTE

6. US DISASSOCIATED ITSELF FROM TEXT ON GROUNDS RESOLUTION CALLED FOR SPECIAL SESSION OF TDB ON THESE MATTERS WHETHER NECESSARY OR NOT AND BECAUSE IT COULD BE CONSTRUED AS AIMING TOWARD INSTITUTIONALIZED UNCTAD ROLE IN COORDINATING WORK IN THESE AREAS.

GROUP B SPOKESMAN STATED EXPECTATION OF GROUP THAT, GIVEN WILLINGNESS OF MAJORITY OF GROUP TO HOLD ONE SPECIAL SESSION, REGULAR SESSIONS WOULD OTHERWISE PROVIDE ADEQUATE OPPORTUNITY FOR

ANY FURTHER DISCUSSION OF THESE MATTERS WHICH MIGHT BECOME APPROPRIATE. HE ALSO STATED UNDERSTANDING OF GROUP B THAT QUOTE EXISTING ARRANGEMENTS UNQUOTE MENTIONED IN PARA 9 OF RESOLUTION (SEE PARA 5 ABOVE) REFERRED TO UNCLASSIFIED

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ARRANGEMENTS FOR CONSULTATIONS AMONG HEADS OF IMF, GATT AND UNCTAD. SPOKESMAN FOR G-77 DID NOT CONTEST GROUP B ASSERTION THAT ONLY ONE SPECIAL SESSION ENVISAGED BUT FOR RECORD STATED HIS GROUP'S UNDERSTANDING THAT WORDS IN QUESTION IN PARA 9 REFERRED TO ALL EXISTING ARRANGEMENTS AND NOT JUST TO INTER- SECRETARIAT ARRANGEMENTS FOR CONSULTATIONS.

(USDEL COMMENT: SPOKESMAN FOR 77 DID NOT SPECIFY TO WHAT OTHER ARRANGEMENTS HE

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